

<i>SERFF Tracking Number:</i>	<i>FFDC-125808808</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>American Automobile Insurance Company, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$50</i>
<i>Company Tracking Number:</i>	<i>NARAB0608</i>		
<i>TOI:</i>	<i>05.0 Commercial Multi-Peril - Liability & Non-</i>	<i>Sub-TOI:</i>	<i>05.0002 Businessowners</i>
	<i>Liability</i>		
<i>Product Name:</i>	<i>American Business Coverage Hotels/Motels/Inn Endorsements Filing</i>		
<i>Project Name/Number:</i>	<i>American Business Coverage Hotels/Motels/Inn Endorsements Filing /NWAB0608</i>		

Filing at a Glance

Companies: American Automobile Insurance Company, Associated Indemnity Corporation, Fireman's Fund Insurance Company, National Surety Corporation, The American Insurance Company

Product Name: American Business Coverage SERFF Tr Num: FFDC-125808808 State: Arkansas

Hotels/Motels/Inn Endorsements Filing

TOI: 05.0 Commercial Multi-Peril - Liability & SERFF Status: Closed State Tr Num: EFT \$50

Non-Liability

Sub-TOI: 05.0002 Businessowners Co Tr Num: NARAB0608 State Status: Fees verified and received

Filing Type: Form Co Status: Pending Reviewer(s): Betty Montesi, Llyweyia Rawlins

Author: Michelle Davanzo Disposition Date: 10/09/2008

Date Submitted: 09/10/2008 Disposition Status: Approved

Effective Date Requested (New): 10/17/2008 Effective Date (New): 10/17/2008

Effective Date Requested (Renewal): 10/17/2008 Effective Date (Renewal): 10/17/2008

State Filing Description:

General Information

Project Name: American Business Coverage Hotels/Motels/Inn Endorsements Filing

Status of Filing in Domicile:

Project Number: NWAB0608

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 10/09/2008

State Status Changed: 09/11/2008

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

For your consideration and review we are enclosing the filing information for two new endorsements. These endorsements are as follows:

SERFF Tracking Number: FFDC-125808808 State: Arkansas
First Filing Company: American Automobile Insurance Company, ... State Tracking Number: EFT \$50
Company Tracking Number: NARAB0608
TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners
Liability
Product Name: American Business Coverage Hotels/Motels/Inn Endorsements Filing
Project Name/Number: American Business Coverage Hotels/Motels/Inn Endorsements Filing /NWAB0608

American Business Coverage (ABC) Hotel/Motel/Inn Extension Endorsement AB 9354 05 08

This new coverage form is a proprietary endorsement that enhances the insurance protection for hotel/motel/inn operations. This new extension endorsement provides 31 coverage extensions and enhancements to the AB9000 12 93 Property/Liability policy; this is a mandatory coverage form that will be available to all ABC eligible Hotel/Motel/ Inn customers.

American Business Coverage (ABC) Hotel/Motel/Inn Proprietor or Manager Residential Special Endorsement AB 9358 06 08

This new coverage form is a proprietary endorsement that enhances the insurance protection for Hotel, Motel, and Inn operations. This new extension endorsement provides 7 coverage extensions and enhancements to the AB 9000 12 93 Property/Liability Policy; this is an optional coverage form that will be available to all ABC eligible customers.

This is a form filing.

Enclosed in support of this filing are the following items:

1. American Business Coverage Explanatory Memorandum
2. Hotel/Motel/Inn Extension Endorsement AB 9354 05 08 and Hotel/Motel/Inn Proprietor or Manager Residential Special Endorsement AB 9358 06 08
3. State checklists/forms

Your approval of this filing, which has a proposed effective date of October 17, 2008, would be appreciated.

Company and Contact

Filing Contact Information

Michelle Davanzo, Regulatory Services Senior Analyst
mdavanzo@ffic.com

SERFF Tracking Number: FFDC-125808808 State: Arkansas
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 Liability
 Product Name: American Business Coverage Hotels/Motels/Inn Endorsements Filing
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777 San Marin Drive (415) 899-2660 [Phone]
 Novato, CA 94998 (866) 290-0671[FAX]

Filing Company Information

American Automobile Insurance Company	CoCode: 21849	State of Domicile: Missouri
777 San Marin Drive	Group Code: 761	Company Type:
Novato, CA 94998	Group Name:	State ID Number:
(415) 899-2817 ext. [Phone]	FEIN Number: 22-1608585	

Associated Indemnity Corporation	CoCode: 21865	State of Domicile: California
777 San Marin Drive	Group Code: 761	Company Type:
Novato, CA 94998	Group Name:	State ID Number:
(415) 899-2817 ext. [Phone]	FEIN Number: 22-1708002	

Fireman's Fund Insurance Company	CoCode: 21873	State of Domicile: California
777 San Marin Drive	Group Code: 761	Company Type:
Novato, CA 94998	Group Name:	State ID Number:
(415) 899-3290 ext. [Phone]	FEIN Number: 94-1610280	

National Surety Corporation	CoCode: 21881	State of Domicile: Illinois
777 San Marin Drive	Group Code: 761	Company Type:
Novato, CA 94998	Group Name:	State ID Number:
(415) 899-2817 ext. [Phone]	FEIN Number: 36-2704643	

The American Insurance Company	CoCode: 21857	State of Domicile: Nebraska
777 San Marin Drive	Group Code: 761	Company Type:
Novato, CA 94998	Group Name:	State ID Number:
(415) 899-2817 ext. [Phone]	FEIN Number: 22-0731810	

SERFF Tracking Number: FFDC-125808808 State: Arkansas

First Filing Company: American Automobile Insurance Company, ... State Tracking Number: EFT \$50

Company Tracking Number: NARAB0608

TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners Liability

Product Name: American Business Coverage Hotels/Motels/Inn Endorsements Filing

Project Name/Number: American Business Coverage Hotels/Motels/Inn Endorsements Filing /NWAB0608

Filing Fees

Fee Required? Yes

Fee Amount: \$50.00

Retaliatory? No

Fee Explanation:

Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American Automobile Insurance Company	\$50.00	09/10/2008	22401424
Associated Indemnity Corporation	\$0.00	09/10/2008	
Fireman's Fund Insurance Company	\$0.00	09/10/2008	
National Surety Corporation	\$0.00	09/10/2008	
The American Insurance Company	\$0.00	09/10/2008	

SERFF Tracking Number: FFDC-125808808 State: Arkansas

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Company Tracking Number: NARAB0608

TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners Liability

Product Name: American Business Coverage Hotels/Motels/Inn Endorsements Filing

Project Name/Number: American Business Coverage Hotels/Motels/Inn Endorsements Filing /NWAB0608

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	10/09/2008	10/09/2008

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Llyweyia Rawlins	09/11/2008	09/11/2008	Michelle Davanzo	10/08/2008	10/08/2008

SERFF Tracking Number: FFDC-125808808 State: Arkansas
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Liability
Product Name: American Business Coverage Hotels/Motels/Inn Endorsements Filing
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Disposition

Disposition Date: 10/09/2008
Effective Date (New): 10/17/2008
Effective Date (Renewal): 10/17/2008
Status: Approved
Comment:

Rate data does NOT apply to filing.

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	0.000%
Overall Percentage Rate Impact For This Filing	0.000%
Effect of Rate Filing-Written Premium Change For This Program	\$0
Effect of Rate Filing - Number of Policyholders Affected	0

SERFF Tracking Number: FFDC-125808808 State: Arkansas

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Company Tracking Number: NARAB0608

TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners Liability

Product Name: American Business Coverage Hotels/Motels/Inn Endorsements Filing

Project Name/Number: American Business Coverage Hotels/Motels/Inn Endorsements Filing /NWAB0608

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Cover Letter	Approved	Yes
Supporting Document	Explanatory Memorandum	Approved	Yes
Supporting Document	AB9354 AR Marked Copy	Approved	Yes
Form (revised)	American Business Coverage Hotel/Motel/Inn Extension Endorsement	Approved	Yes
Form	American Business Coverage Hotel/Motel/Inn Extension Endorsement	Approved	Yes
Form (revised)	American Business Coverage Hotel/Motel/Inn Proprietor or Manager Residential Special Endorsement	Approved	Yes
Form	American Business Coverage Hotel/Motel/Inn Proprietor or Manager Residential Special Endorsement	Approved	Yes

SERFF Tracking Number: FFDC-125808808 State: Arkansas
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TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners
Liability
Product Name: American Business Coverage Hotels/Motels/Inn Endorsements Filing
Project Name/Number: American Business Coverage Hotels/Motels/Inn Endorsements Filing /NWAB0608

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 09/11/2008
Submitted Date 09/11/2008
Respond By Date 09/20/2008

Dear Michelle Davanzo,

Form: AB9354 Page 10 of 17, #12 (legal action)

The applicable provision of the Arkansas Statute of Limitations of the Arkansas General Code, allows five (5) years in which to commence litigation for this insurance contract. You may amend by extending the time limit to five (5) years or by stating, "within the time allowed by law."

Sincerely,
Llyweyia Rawlins

Please feel free to contact me if you have questions.

Sincerely,
Llyweyia Rawlins

Response Letter

Response Letter Status Submitted to State
Response Letter Date 10/08/2008
Submitted Date 10/08/2008

Dear Llyweyia Rawlins,

Comments:

I am writing to you in response to your correspondence to us dated September 11, 2008.

Response 1

Comments: We have revised the endorsement, AB 9354 05 08 as you requested. Due to this revision, we have changed the form number to AB 9354 AR 05 08. We have also included a marked copy.

We have also revised endorsement AB 9358 06 08. Due to these revisions, we have changed the form number to AB

SERFF Tracking Number: FFDC-125808808 State: Arkansas

First Filing Company: American Automobile Insurance Company, ... State Tracking Number: EFT \$50

Company Tracking Number: NARAB0608

TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners Liability

Product Name: American Business Coverage Hotels/Motels/Inn Endorsements Filing

Project Name/Number: American Business Coverage Hotels/Motels/Inn Endorsements Filing /NWAB0608 9358 10 08.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: AB9354 AR Marked Copy

Comment:

Form Schedule Item Changes

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
American Business Coverage Hotel/Motel/Inn Extension Endorsement	AB9354 AR	05 08	Endorsement/AmendmentNew /Conditions				AB9354 hotel-AR 10 08 blk.pdf
Previous Version							
American Business Coverage Hotel/Motel/Inn Extension Endorsement	AB9354	05 08	Endorsement/AmendmentNew /Conditions				AB 93 54 05 08 ABC Hotel-Motel-Inn Extension Endorsement.pdf
American Business Coverage Hotel/Motel/Inn Proprietor or Manager Residential Special Endorsement	AB9358	10 08	Endorsement/AmendmentNew /Conditions			0	AB 93 58 10 08 Hotel, Motel, Inn Proprietor or Manager Residential Special Endorsement

SERFF Tracking Number: FFDC-125808808 State: Arkansas

First Filing Company: American Automobile Insurance Company, ... State Tracking Number: EFT \$50

Company Tracking Number: NARAB0608

TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners Liability

Product Name: American Business Coverage Hotels/Motels/Inn Endorsements Filing

Project Name/Number: American Business Coverage Hotels/Motels/Inn Endorsements Filing /NWAB0608

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revised.pdf
f

Previous Version

American Business Coverage Hotel/Motel/Inn Proprietor or Manager Residential Special Endorsement	AB9358 06 08	Endorsement/AmendmentNew /Conditions	0	AB 93 58 06 08 Hotel, Motel, Inn Proprietor or Manager Residentia l Special Endorsement.pdf
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No Rate/Rule Schedule items changed.

Sincerely,
Michelle Davanzo

SERFF Tracking Number: FFDC-125808808 State: Arkansas

First Filing Company: American Automobile Insurance Company, ... State Tracking Number: EFT \$50

Company Tracking Number: NARAB0608

TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners Liability

Product Name: American Business Coverage Hotels/Motels/Inn Endorsements Filing

Project Name/Number: American Business Coverage Hotels/Motels/Inn Endorsements Filing /NWAB0608

Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	American Business Coverage Hotel/Motel/Inn Extension Endorsement	AB9354 AR	05 08	Endorsement New nt/Amendment/Conditions			AB9354 hotel-AR 10 08 blk.pdf
Approved	American Business Coverage Hotel/Motel/Inn Proprietor or Manager Residential Special Endorsement	AB9358	10 08	Endorsement New nt/Amendment/Conditions		0.00	AB 93 58 10 08 Hotel, Motel, Inn Proprietor or Manager Residential Special Endorsement - revised.pdf

American Business Coverage Hotel/Motel/Inn Extension Endorsement AB 93 54- AR 05 08

Insured:

Policy Number:

Producer:

Effective Date:

This endorsement modifies insurance provided under the following:

American Business Coverage AB 9000

Schedule of Coverages not subject to the Blanket Limit of Insurance

Coverage Description	Limits
Broadened Premises*	1000 ft.
Business Income/Extended Period of Indemnity	365 days
Civil Authority*	Maximum of 4 weeks
Customer Reimbursement	\$500 each guest/\$50,000 Aggregate
Depositor's Forgery*	\$25,000
Evacuation Expense Reimbursement	\$500 each guest/\$50,000 Aggregate
Fine Arts	\$100,000
Foundations	Included in Building Limit
Lost Key	\$5,000/\$15,000 Aggregate
Money and Securities*	\$25,000
Money Order or Counterfeit Money*	\$25,000
Property of Others	\$50,000
Signs and Glass Coverage (Where Insured Does Not own the Building)	\$25,000

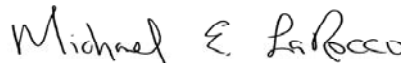
Schedule of Coverages subject to the \$500,000 Blanket Limit of Insurance

Coverage Description	Sub-Limits of Insurance	Additional Limits
Accounts Receivable*		
Alternative Key Systems		
Business Personal Property Off Premises*		
Communicable Disease Extra Expense		
Contaminated Food		
Costs		
Time Element		
Contract Penalty Clause Coverage		
Cost of Expediting*		
Cost of Inventory, Appraisal, Adjustment Expense*		
Employee Dishonesty Coverage	\$25,000	
Fire Department Service Charge*		
Fire Protective Devices*		
Income Support Properties*		
Key Employee Replacement Coverage		
Loss of Refrigeration		
Newly Acquired Buildings*		
Off-Premises Services		
Off-Premises Special Event Cancellation		

This Form must be attached to Change Endorsement when issued after the policy is written.
One of the **Fireman's Fund Insurance Companies** as named in the policy.



Secretary



President

Coverage Description	Sub-Limits of Insurance	Additional Limits
Outdoor Property, Trees, Shrubs or Lawns*		
Realty Tax Increased Assessment		
Reservation Systems		
Spoilage		
Tips Included as Business Income		
Unintentional Property Errors and Omissions		
Valuable Papers and Records*		
Water Damage	\$15,000	
Wine Collection at Menu Selling Price		

***Refer to AB 9000 for coverage conditions**

(If no entry appears above, information required to complete this Endorsement will be shown in the Declarations as applicable to this Endorsement.)

I. Schedule of Coverages Not Subject to the Blanket Limit of Insurance

- A. For all coverages with specified sub-limits in the **Schedule of Coverages not subject to the Blanket Limit of Insurance** shown above; the most we will pay in any single occurrence is the specified sub-limit for the scheduled coverage item.
- B. The limits stated in this endorsement replace any other limits for all coverages in the **Schedule of Coverages not subject to the Blanket Limit of Insurance** provided under the Property/Liability policy AB 90 00 12 93 to which this endorsement is attached.

II. Schedule of Coverages Subject to the Blanket Limit of Insurance

A. \$500,000 Blanket limit of Insurance

A \$500,000 combined **Blanket Limit of Insurance** applies in each occurrence to all coverages described in the **Schedule of Coverages subject to the Blanket Limit of Insurance** shown above. You may elect to apportion the \$500,000 **Blanket Limit of Insurance** to a single coverage or between any combination of coverages for loss in each occurrence. However, regardless of how the **Blanket Limit of Insurance** is apportioned or the number of locations involved the most we will pay in any single occurrence is \$500,000.

This **Blanket Limit of Insurance** does not apply to any other coverages provided by this policy.

B. Specified Sub-Limits

For all coverages with specified sub-limits in the **Schedule of Coverages subject to the Blanket Limit of Insurance** shown above, the most we will pay in any single occurrence is the specified sub-limit for the scheduled coverage item. Any specified sub-limits are included within the **Blanket Limit of Insurance** and do not increase the \$500,000 **Blanket Limit of Insurance**.

C. Additional Limits of Insurance

Additional Limits of Insurance may be purchased for each of the coverages listed above. If purchased, these Additional Limits of Insurance will be designated in the **Schedule of Coverages subject to the Blanket Limit of Insurance**, and will apply in addition to whatever amount you have otherwise apportioned to that coverage under the **Blanket Limit of Insurance**.

The limits stated in this endorsement replace any other limits for all coverages in the **Schedule of Coverage subject to the Blanket Limit of Insurance** provided under the Property/Liability policy AB 90 00 12 93 to which this endorsement is attached.

III. Broadened Premises Coverage

1. The opening paragraph of Section I, Property Coverage, (1)(b) Business Personal Property, is amended to include:

Business Personal Property located in or on the buildings at the described premises or in the open (or in a vehicle) within 1000 feet of the described premises.

All other provisions of section 1.b. remain unchanged.

IV. Section I Property, A. Coverage, Subsection 2. Property Not Covered, item i., of Property/Liability Policy - AB 90 00 12 93, is amended to include:

However, if the Declarations show you have Building Coverage, we will pay for loss to:

- (1) foundations of covered buildings, structures, machinery and boilers, and
- (2) foundations of equipment and machinery, whether above or below ground.

The Policy Deductible applies to this extension of coverage.

- V. Section I Property, A Coverage, Subsection 5. Additional Coverages, item d. of Property/Liability Policy -AB 90 00 12 93, is amended to include:

d. Fire Department Service Charge

The most we will pay any one person under this Additional Coverage is the Limit of Insurance shown in the Schedule of this Endorsement that applies to Fire Department Service Charge.

- VI. Section I Property, A Coverage, Subsection 5. Additional Coverages, item g. of Property/Liability Policy -AB 90 00 12 93, is deleted in its entirety and is replaced by the following:

g. Business Income

We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your **operations** during the **period of restoration**. We will also pay for the actual loss of Business Income you incur during the period that:

- (1) Begins on the date property is actually repaired, rebuilt or replaced and operations are resumed; and
- (2) Ends on the earlier of:
 - (a) The date you could restore operations with reasonable speed, to the condition that would have existed if no direct physical loss or damage occurred; or
 - (b) 365 consecutive days after the date determined in (1) above.

But we will not pay for any loss of Business Income beyond 24 consecutive months after the date of direct physical loss or damage.

The suspension must be caused by direct physical loss of or damage to property at the described premises, including personal property in the open (or in a vehicle) within 1000 feet, caused by or resulting from any Covered Causes of Loss.

Business Income means the:

- (1) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- (2) Continuing normal operating expenses incurred, including payroll.

Business Income Extension

Your Business Income coverage is extended to apply to property at any location you acquire other than fairs or exhibitions. The most we will pay for loss under this Extension is \$10,000. This additional coverage is not subject to the Limits of Insurance.

Business Income Exclusions

We will not pay for:

- (1) Any increase of Business Income loss caused by or resulting from:
 - (a) Delay in rebuilding, repairing or replacing the property or resuming **operations**, due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
 - (b) Suspension, lapse or cancellation of any license lease or contract. But, if the suspension, lapse or cancellation is directly caused by the suspension of **operations**, we will cover such loss that affects your Business Income during the **period of restoration**.
- (2) Any other consequential loss.
- (3) Tip income of your employees:
 - (a) As reported to you by your employees; and
 - (b) Reported by you to the Internal Revenue Service in accordance with Internal Revenue Service Regulations.

VII. Communicable Disease Extra Expense

Section I Property, A Coverage, Subsection 5. Additional Coverages, item h of Property/Liability Policy - AB 90 00 12 93, is amended to include:

- a. We will pay for the actual expense you incur due to a **communicable disease event** occurring at your premises. The extra expense must be a result of a **communicable disease event** that has taken place at a covered location.
- b. We will not pay for any loss under this Additional Coverage which is caused directly or indirectly by any of the following:
 - 1. Fines or penalties of any kind;
 - 2. Any increase of loss or extra expense caused by or resulting from the suspension, lapse or cancellation of any license, lease or contract;
 - 3. The cost of replacing actual or suspected contaminated property from the insured location, or any other location;
 - 4. Any loss otherwise excluded by an applicable exclusion to this policy.
- c. **Communicable Disease** means any disease caused by a biological agent that is transmitted directly or indirectly from one individual to another.
- d. **Communicable Disease event** means that an official Public

Health Authority has ordered that your premises be evacuated and disinfected due to the outbreak of a **communicable disease** at the covered location.

- e. For purposes of the Additional Coverage, Extra Expense is limited to:
 - (i). The actual expense you incur to evacuate the covered location due to a **communicable disease event**; and
 - (ii). The actual expense you incur to disinfect the covered location of the **communicable disease**; and
 - (iii). The actual expense you incur to test the covered location to confirm disinfection of the **communicable disease**.
- f. This Additional Coverage does not create any Business Income coverage under any coverage for which provides coverage for Business Income.
- g. All other provisions of this policy apply to this Additional Coverage.
- h. The most we will pay under this Additional Coverage in any one occurrence is the Limit of Insurance shown in the Schedule that applies to this Endorsement for **Communicable Disease Extra Expense**.

VIII. Additional Coverages – Civil Authority

Section I Property, A Coverage, Subsection 5. Additional Coverages, item i of Property/Liability Policy -AB 90 00 12 93, is deleted and replaced by the following:

i. Civil Authority

We will pay for the actual loss of Business Income you sustain and necessary extra expense caused by action of civil authority that prohibits access to the described premises due to direct physical loss or damage to property, other than at the described premises, caused by or resulting from

any Covered Cause of Loss. This coverage will apply for a period of up to four consecutive weeks from the date of that action.

IX. Additional Coverage – Accounts Receivable

1. Section I Property, A Coverage, Subsection 5. Additional Coverages, item I(1)(a) of Property/Liability Policy -AB 90 00 12 93, is deleted and replaced by the following:

- (a) All amounts due from your customers, including credit card invoice records of balances, that you are unable to collect;

2. Section I Property, A Coverage, Subsection 5. Additional Coverages, item I(3)(a) of Property/Liability Policy -AB 90 00 12 93, is deleted and replaced by the following:

- (a) The amount shown in the Schedule of this Endorsement; or

X. Valuable Papers and Records

Section I Property, A Coverage, Subsection 5. Additional Coverages, item m(5)(a) of Property/Liability Policy - AB 90 00 12 93, is deleted and replaced by the following:

- (a) Our limit of liability is increased to the amount shown in the Schedule of this Endorsement; or

XI. Fire Protection Devices

Section I Property, A Coverage, Subsection 5. Additional Coverages, item n of Property/Liability Policy - AB 90 00 12 93, is amended to include:

Our limit of liability is increased to the amount shown in the Schedule of this Endorsement for Fire Protective devices.

XII. Cost of Inventory, Appraisal or Adjustment Expense

Section I Property, A Coverage, Subsection 5. Additional Coverages, item o of Property/Liability Policy -AB 90 00 12 93, is amended to include:

The \$1,000 limit of liability for this coverage is amended to be the limit of insurance shown in the Schedule of this

endorsement that applies to Cost of Inventory, Appraisal or Adjustment Expense.

XIII. Cost of Expediting

Section I Property, A Coverage, Subsection 5. Additional Coverages, item p of Property/Liability Policy -AB 90 00 12 93, is amended to include:

The \$2,500 limit of liability for this coverage is amended to be the limit of insurance shown in the Schedule of this Endorsement that applies to Cost of Expediting.

XIV. Income Support Properties

Section I Property, A Coverage, Subsection 5. Additional Coverages, item j of Property/Liability Policy - AB 90 00 12 93 is amended to include:

The \$15,000 limit of liability for this coverage is amended to be the limit of insurance shown in the Schedule of this endorsement that applies to Income Support Properties

XV. Money and Securities

Section I Property, A Coverage, Subsection 5. Additional Coverages, item r.(3)(a) and (b), Property/Liability Policy - AB 90 00 12 93, is amended to include:

Our maximum limit of liability is increased to the amount shown in the Schedule of this Endorsement whether inside the premises or outside the premises.

- XVI. Section I Property, A Coverage, Subsection 5. Additional Coverages, of Property/Liability Policy -AB 90 00 12 93, is amended to include:

u. Alternative Key Systems

- (1) We will pay for loss or damage to, or cost to reprogram, **alternative key systems**, including card programmers, card-readers, computers, related alarms, transceivers, power supplies and any other electronic or mechanical apparatus needed to make the card keys work. The loss must be caused

by a Covered Cause of Loss and must take place at a covered location described in the declarations.

- (1) **Alternative key systems** means programmable keying systems, such as mechanically or electronically coded key cards.
- (2) The most we will pay for loss or damage under this Additional Coverage is the Limit of Insurance shown in the Schedule that applies to this Endorsement for Alternative Key Systems.

v. Customer Reimbursement

- (1) We will pay your actual expense to reimburse customers for whom prearranged accommodations at a covered location cannot be honored because of direct physical loss or damage to covered property at the covered location caused by or resulting from a Covered Cause of Loss.
- (2) We will reimburse you only for:
 - (a) Reasonable expenses incurred to secure other comparable accommodations;
 - (b) Reasonable extra expenses incurred to travel back and forth from the covered location to the replacement accommodation; and
 - (c) Prepaid amounts spent for activities away from the described accommodation which are lost because of other comparable accommodations are unavailable.
- (3) We will reimburse you for the expenses listed above incurred by any customer between the date the customer's prearranged accommodations are scheduled to begin or are interrupted, whichever is later, and the earliest of the following dates:
 - (a) The date the customer's prearranged accommodations at

your inn are scheduled to end, or

- (b) The date the damaged property at your inn can be repaired with reasonable speed and comparable size, materials, quality and usefulness.

You must resume all or part of your operations and resume honoring prearranged accommodations at the covered location as soon as possible. If you fail to do so, the amount we pay under this coverage extension will be reduced by the amount that could have been saved.

Customer reimbursement covered under this extension is not Extra Expense.

For each guest and each occurrence, we will not pay more than the Limit of Insurance shown in the Schedule of this Endorsement that applies to Customer Reimbursement Expense.

w. Employee Dishonesty Coverage

- (1) We will pay for direct physical loss of covered property resulting from dishonest or fraudulent acts committed by any of your employees acting alone or in concert with other persons (except you or your partner) while they work for you and for 30 days after they leave your employment.

We will pay for loss of or damage to money, securities and other property resulting directly from the use of any computer to fraudulently cause a transfer of that property from inside the premises or banking premises to a person (other than a messenger) outside those premises, or to a place outside those premises.

We will pay for loss of funds resulting directly from a fraudulent instruction directing a financial institution to transfer, pay, or deliver funds from your transfer account.

The property covered is:

- (a) Money;

- (b) Securities;
 - (c) Other property that is tangible and has an intrinsic value which you own, hold, or for which you are legally liable.
- (2) An employee is a natural person who is subject to your direction and control. Independent contractors or agents or representatives of the same general character are not employees.

If you are a non-profit organization, employee does include any non-compensated natural person, other than a fund solicitor, while performing services for you that are usual to the duties of an employee.

- (3) The dishonest or fraudulent act(s) must be committed within the Coverage period and with the manifest intent to:

- (a) Cause you to sustain loss or damage; and also
- (b) Obtain financial benefit {other than salaries, commissions, fees, bonuses, promotional awards, profit sharing, pensions or other employee benefits earned in the normal course of employment} for:

- 2. Any employee; or
- 3. Any other person or organization.

- (4) We will pay only for covered loss discovered within 90 days after the end of the Coverage period or cancellation date of this insurance whichever is earlier.

- (5) We will not pay for loss, or any part of any loss:

- (a) The proof of which is dependent upon either:
 - i. An inventory computation; or
 - ii. A profit and loss computation.

- (b) Resulting from any act of an employee after the time that you, or any of your partners or officers have discovered or have knowledge of any dishonest act employee committed by that employee before or after being hired by you.

- (c) That is an indirect result of any dishonest or fraudulent act including loss:

- ii. Which relates to your inability to earn income; or
- iii. Which is a penalty, or interest payment; or
- iv. Which is an expense related to any legal action

- (6) If you have made a timely discovery and timely claim on more than one policy we or any affiliate has issued to you or any affiliate of yours, the most we will pay is the highest limit payable on any one policy.

An occurrence, means all loss caused by any employee or in which that person is involved, whether all loss involved one or more acts of dishonesty even when more than one employee is involved.

All loss caused by an unidentifiable employee or employees is one occurrence unless there is proof that no one employee could have been involved in all of the loss. Involved means to have had an effect on.

- (7) If you (or any predecessor in interest) sustained loss during the period of any prior insurance that you could have recovered under that insurance except the time within which to discover loss had expired; we will as part of, not in addition to the Limit of Insurance of this Coverage, pay for it under this Coverage, provided:

- (a) This Coverage became effective at the time of cancellation or termination of the prior insurance; and

- (b) The loss would have been covered by this Coverage had it been in effect when the acts were committed; and
 - (c) An amount being paid as part of the Limit of Insurance is limited to the lesser of the amount recoverable under:
 - i. This Coverage as of its effective date; or
 - ii. The prior insurance had it remained in effect.
- (8) ERISA PLANS as a named insured under Employee Dishonesty Coverage have the following provisions without increasing the Limit of Insurance for Employee Dishonesty Coverage. These provisions are in compliance with certain provisions of the Retirement Income Security Act (ERISA).
- (a) If any Plan is insured jointly with any other entity under this insurance, you or the Plan Administrator must select a Limit of Insurance for the Employee Dishonesty Cover Form that is sufficient to provide an amount of insurance for each Plan that is at least equal to that required if each Plan were separately insured.
 - (b) If the insured first named in the Declarations is an entity other than a Plan, any payment we make to that Insured for loss sustained by any Plan will be held by the Insured for the use and benefit of the Plan(s) sustaining the loss.
 - (c) If two or more plans are insured under this insurance, any payment we make for the loss:
 - i. Sustained by two or more Plans; or
 - ii. Of commingled funds or other property of two or more Plans that arises out of the occurrence, is to be shared by each Plan sustaining loss in the proportion that the amount of insurance required for each such Plan under ERISA provisions bears to the total of those amounts.
 - (d) The deductible provisions of the Employee Dishonesty Coverage Form does not apply to loss sustained by any Plan subject to ERISA which is insured under this Insurance.
- (9) Recoveries, less the cost of obtaining them, made prior to settlement of loss under this Employee Dishonesty coverage, are to be credited to the loss.
- (10) Your duties in the event of a loss include:
- (a) After you discover a loss or a situation that may result in a loss under this Coverage, you must:
 - i. Notify us as soon as possible and provide an outline of the facts as known to you.
 - ii. Do nothing after loss to impair your rights of recovery against any person or organization.
 - iii. Give us a detailed, sworn proof of loss within 90 days of our request, or 120 days after you discover a loss if we have not made a written request for a proof of loss.
 - iv. Produce for our examination all pertinent records.
 - v. Cooperate with us in the investigation of your claim; and
 - vi. Submit to examination under oath at our request and give us a signed statement of your answers.
 - (b) You must transfer to us all your rights of recovery against any person or organization for any

loss you sustained and for which we have paid or settled. You must do everything necessary to secure those rights for us.

(11) We will pay up to \$1,000 to cover the costs you incur to investigate in order to prepare your proof of loss. This coverage does not increase your coverage limit and it is payable only if you have a covered claim.

(12) You may not bring legal action against us involving loss under this endorsement:

(a) Unless there has been full compliance with all of the terms of this insurance; and

(b) Unless the action is brought within five years after the date on which you discover the loss.

This insurance provides no rights or benefits to any other person or organization.

(13) Distribution of recovery:

(a) Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this insurance will be distributed as follows:

i. To you, until you are reimbursed for that loss that you sustain that exceeds the Limit of Insurance and the Deductible Amount, if any;

ii. Then to us, until we are reimbursed for the settlement made;

iii. Then to you, until you are reimbursed for that part of the loss equal to the Deductible Amount, if any.

(14) If more than one insured is named in the Declarations, the first named insured will act for itself and for every other insured for the purposes of this insurance.

x. Evacuation Expense Reimbursement

(1) We will reimburse you for reasonable and necessary expenses you actually incur to evacuate a covered location because of imminent danger to the life or well-being of your customers caused by an external event or a condition at the covered location.

(2) We will not reimburse you for evacuation expenses arising out of any:

(a) Planned evacuation drill

(b) Strike, bomb threat or false fire alarm, unless a civil authority having jurisdiction orders you to evacuate the covered location

(3) This coverage only applies if you report the expense to us in writing no later than sixty (60) days from the date of the evacuation or from the end of the policy period, whichever is earliest. The most we will reimburse you under this coverage for one occurrence is the Limit of Insurance shown in the Schedule of this Endorsement that applies to Evacuation Expense Reimbursement.

y. Fine Arts

We will pay for loss or damage to your fine arts and fine arts owned by others in your care, custody or control at covered locations. We cover such property against direct physical loss or damage from a cause of loss we cover applying to your business personal property at the location.

Fine arts means property that is rare or of artistic or historic value.

The most we will pay for loss or damage in any one occurrence is the Limit of Insurance shown in the Schedule of this endorsement that applies to Fine Arts.

If there is other insurance covering the same loss or damage provided by this Additional Coverage, whether covered by this policy or any other policy, we will pay only for the amount of covered loss or damage in excess of the amount due

from that other insurance – but we will not pay more than the applicable Limit of Insurance shown in the Schedule of this Endorsement that applies to Fine Arts.

z. Loss of Refrigeration

(1) We will pay for loss or damage to your goods contained in the refrigeration units at the premises described in the Declarations caused by or resulting from:

- (a) mechanical or electrical breakdown of the refrigeration units, their controls, and related equipment which are owned or used by you, or
- (b) a power failure, either on or off the described premises, which causes a change in temperature or humidity due to conditions beyond your control.

(2) We will not pay for any loss or damage if you fail to use reasonable care to maintain all refrigeration unit in proper operating condition.

(3) The most we will pay for loss or damage in any one occurrence under this extension is the Limit of Insurance shown in the Schedule of this Endorsement that applies to Loss of Refrigeration.

aa. Lost Key Coverage

(1) We will pay for consequential loss to keys and locks if a master key or grand master key is lost or damaged resulting from a Covered Cause of Loss. We will pay for the actual cost to replace new keys, adjustment of locks to accept new keys, or if required, new locks including the cost of their installation.

(2) The most we will pay for loss or damage under this coverage is the Limit of Insurance shown in the Schedule of this Endorsement that applies to Lost Key Coverage.

bb. Reservation Systems

(1) We will pay the actual loss of business income and extra expense you sustain due to direct physical loss or damage, caused by or resulting from any Covered Cause of Loss, at the premises of a franchisor, referral system or other service, except a travel agency, upon whom you depend for the booking of reservations and which is not owned by or leased to you.

(2) Our limit of liability for this coverage is the Limit of Insurance shown in the Schedule of this Endorsement that applies to Reservation Systems.

cc. Contaminated Food

(1) If a Board of Health orders your premises closed; or

(2) either you or any government body makes an announcement warning the public of a health hazard because of either the discovery or the suspicion that contaminated food has been served to your patrons at a location described in the Declarations:

(3) We will pay:

- (a) your cost to clean your equipment per local Board of Health requirements;
- (b) your cost to replace consumable goods declared contaminated by the local Board of Health;
- (c) the cost of necessary medical tests and vaccines for infected employees
- (d) your actual expenses to reimburse patrons for reasonable doctor's care, medical tests and hospitalization, made necessary by their actual or suspected consumption of contaminated food at a covered location
- (e) the actual loss of Business Income at the affected covered location(s) described in the Declarations

- (f) paid leave for all employees until the site has been cleared by the local Board of Health for reopening and
- (g) extra advertising cost to restore your reputation.

Our limit of liability for this coverage is the Limit of Insurance shown in the Schedule that applies to this Endorsement for Contaminated Food.

dd. Off Premises Services- Time Element

(1) Coverage

We will pay for loss of Business Income or Extra Expense at the location caused by the interruption of service to the covered location. The interruption must result from direct physical loss or damage by a Covered Cause of Loss, not on the covered location from one of the following services:

- (a) Water supply services, meaning the following property supplying water to a covered location:
 - i. Pumping stations and
 - ii. Water mains.
- (b) Communication supply services, meaning the following property supplying telephone, radio, microwave or television services to a covered location:
 - i. Communication transmission lines;
 - ii. Coaxial cables; and
 - iii. Microwave radio relays, except satellites.

Communication supply services do not include overhead transmission lines or telephone, fax or similar systems owned by franchisers, referral systems or other services upon whom you depend for reservations.

- (c) Power supply services, meaning the following types of property supplying electricity, steam or gas to a covered location:

- i. Utility generating plants;
- ii. Switching stations;
- iii. Substations;
- iv. Transformers; and
- v. Transmission lines.

Power supply services do not include overhead transmission lines.

(2) Deductible and Limit of Insurance

We will only pay for loss you sustain after the first twenty four (24) hours following the loss of service by direct physical loss or damage to the off-premises services described above.

The most we will pay for this coverage is the limit of insurance shown in the Schedule that applies to this Endorsement for Off Premises Services.

ee. Off Premises Special Event Cancellation

We will pay the actual loss of Business Income or rental value you sustain if a **special event**, not at a covered location, is canceled due to direct physical damage to property anywhere in the coverage territory, but only if the property damage is caused by a Covered Cause of Loss.

The amount we pay will be reduced by any income you receive from the use, in whole or in part, of any space reserved for a special event that has been canceled.

The most we will pay for any one loss under this coverage is the Limit of Insurance shown in the Schedule above for this Off Premises **Special Event** Cancellation coverage.

Section I.A.5.g. (1)(b) of the Business Income Exclusions does not apply to Off Premises Special Event Cancellation coverage.

For the purpose of this coverage, property damaged does not include property belonging to any supplier of water services, communication services or power services.

Special event means any convention, conference, banquet, seminar, wedding, party or other public or private event, gathering or group meeting for which you have reserved space, and/or contracted for food, equipment or other supporting material or services away from your premises, but within the coverage territory of the policy to which this endorsement is attached.

ff. Wine Collection at Menu Selling Price:

We will pay for loss or damage to your **restaurant wine collection** at the locations shown in the Schedule caused by or resulting from a cause of loss we cover applying to your business personal property. The most we will pay for the loss or damage in any one occurrence is the Limit of Insurance shown in the Schedule.

In the event of loss or damage, we will determine the value of your **restaurant wine collection** at your selling price less discounts and expenses you otherwise would have had.

Restaurant wine collection at Menu Selling Price is defined as stock held for sale in your restaurant consisting of wine, champagne, sparkling wine, brandy or other bottled alcoholic beverages that are not readily replaceable with like kind and quality through normal distribution sources common in the industry.

Your selling price will be determined utilizing your pre-loss inventory records and mark-up procedures, or your pre-loss menu price for each item, whichever is less.

The deductible that applies to business personal property of the policy also applies to this coverage.

gg. Realty Tax Coverage – Increased Assessment

1. If a **Covered Cause of Loss** results in direct physical loss or damage to Covered Property at a covered location described in the Declarations, we will reimburse you for the increased realty tax liability directly attributed to the repair, rebuilding, or reconstruction of the damaged property as covered by this policy.

2. We will pay for such increased realty tax liability if it is assessed within 2 years of a covered loss. However, we will only pay the first such increased assessment following any realty tax assessment increase that is insured under this coverage;

3. The most we will pay for loss or damage under this Additional Coverage is the Limit of Insurance shown in the Schedule that applies to this Endorsement for **Realty Tax Coverage-Increased Assessment**.

hh. Key Employee Replacement Expense

1. We will pay for **key employee replacement expense** resulting from your permanent loss of the services due to death or permanent disability of a **key employee** by a **covered key employee accident or illness**. However, this Additional Coverage does not apply if such **key employee** is terminated by you for any reason.

2. Coverage under this extension will take effect on the date of the permanent loss of services of the **key employee** due to a **covered key employee accident or illness** and ends 60 days after the replacement for the **key employee** is hired, subject to a maximum of 180 days from the date of the permanent loss of services of the **key employee**.

3. Coverage under this extension applies only if the **covered key employee accident or illness** occurs while this Extension Endorsement is in effect, however the period of time for which we will pay **key employee replacement expense** will not be limited by the expiration of your policy.

4. Coverage under this extension does not apply to death or permanent disability caused by:

- a. War, including undeclared war or civil war;
 - b. Insurrection, rebellion, revolution usurped power, or action taken by governmental authority in hindering or defending against any of these;
 - c. Nuclear reaction or radiation, or radioactive contamination, however caused;
 - d. Pregnancy, childbirth, miscarriage or termination of pregnancy; or
 - e. Suicide, attempted suicide or intentional self inflicted injury or illness.
5. Coverage does not apply to any additional expense you incur to replace the **key employee** that you would not have incurred if you had used all reasonable means to:
- a. find a permanent replacement; or
 - b. reduce or discontinue the **key employee replacement expense**, as soon as possible after your permanent loss of the services to your business performed by the **key employee**.
6. This insurance does not cover **key employee replacement expense** for a **key employee** who was hired to replace an injured or deceased **key employee** covered by this insurance, unless the replacement **key employee** was injured or killed by a **covered key employee accident or illness**.
7. The most we will pay for loss or expense from the loss of services of any one **key employee** under this Additional Coverage is the Per Key Employee Limit of Insurance shown in the Schedule of this Endorsement that applies to Key Employee Replacement Expense.

Covered key employee accident or illness means:

1. A verifiable sudden accidental occurrence causing bodily injury, or
2. An illness which is first diagnosed during the policy period and after the date the **key employee** is hired, and

3. is not otherwise excluded in this Extension

Which solely and independently of any other cause results in the **key employee's**:

1. Death; or
2. Permanent disability, meaning the permanent physical inability of the **key employee** to perform the duties required by his or her job at your business,

Which occurs within one year of the **covered key employee accident or illness**.

Key employee means a general manager, executive chef, executive pastry chef or sommelier, employed by you.

Key employee replacement expense means the necessary expenses you incur that you would not have incurred if you had not lost the services of the **key employee** for:

1. Replacement recruiting expenses including the fees paid to a search firm, advertising costs, travel costs during the interview process and other expenses directly related to the recruitment process for a replacement **key employee**;
2. Expenses to relocate the replacement **key employee** to live within a reasonable commuting distance from your business location; and
3. Additional training or education during the replacement **key employee's** the first ninety (90) days in your employment.

ii. Spoilage

- (1) We will pay for direct physical loss or damage to your perishable stock at covered locations caused by or resulting from:
 - (a) Mechanical breakdown or failure of refrigerating, cooling or humidity control apparatus or

equipment which are owned or used by you; (b) Contamination by the refrigerant; (c) Complete or partial interruption of electrical power, either on or off the covered locations, due to conditions beyond your control, except as identified in (2), below.

(2) We will not pay for loss or damage caused by or resulting from:

- (a) The disconnection of any refrigerating, cooling or humidity control system from the source of power.
- (b) The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current.
- (c) The inability of a power source at the covered location to provide sufficient power due to lack of generating capacity to meet demand.
- (d) The inability of an Electric Utility Company or any other power source to provide sufficient power due to lack of fuel or government order.
- (e) Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.
- (f) Failure to use reasonable care to maintain all refrigerating, cooling or humidity control systems in proper operating condition. Perishable stock means personal property maintained under controlled conditions for its preservation and susceptible to loss or damage if the controlled conditions change. The most we will pay for loss or damage in any one occurrence is the Limit of Insurance shown in the Schedule that applies to this endorsement part for Spoilage

XVII. Coverage B - Newly Acquired Buildings
Section I Property, A Coverage, Subsection 6. Coverage Extensions, item a, of Policy - AB 90 00 12 93, is amended to include:

Our limit of liability for this coverage extension is the amount shown in the Schedule of this Endorsement for Newly Acquired Buildings.

XVIII. Coverage B – Business Personal Property - Off-Premises

Section I Property, A Coverage, Subsection 6. Coverage Extensions, item c, of Policy -AB 90 00 12 93, is amended to include:

Our limit of liability for this coverage extension is increased to the amount shown in the Schedule of this Endorsement that applies to Business Personal Property-Off-Premises.

XIX. Coverage B - Property of Others

Section I Property, A Coverage, Subsection 6. Coverage Extensions, item f, of Policy -AB 90 00 12 93, is amended to include:

Our limit of liability is increased to the amount shown in the Schedule of this Endorsement that applies to Property of Others.

We will not pay however for loss or damage to any vehicle including its equipment and accessories or any property contained in or on a vehicle.

XX. Outdoor Property: Trees, Shrubs, Plants and Lawns

1. Section I Property, A Coverage, Subsection 6. Coverage Extensions, item g, of Policy -AB 90 00 12 93, is amended to include:

Our limit of liability for this coverage extension is increased to the amount shown in the Schedule of this Endorsement as it applies to Outdoor Property: Trees, Shrubs, Plants and Lawns, including debris removal expense at the premises described in the Declarations.

XXI. Money Order and Counterfeit Money

Section I Property, A Coverage, Subsection 6. Coverage Extensions, item h, of Policy - AB 90 00 12 93, is amended to include

Our limit of liability for this coverage extension is increased to the amount shown in the Schedule of this Endorsement as it applies to Money Order and Counterfeit Money.

XXII. Depositor's Forgery

Section I Property, A Coverage, Subsection 6. Coverage Extensions, item i, of Policy - AB 90 00 12 93, is amended to include:

Our limit of liability for this coverage extension is increased to the amount shown in the Schedule of this Endorsement.

XXIII. Sign and Glass Coverage.

Section I, Property A, Coverage, Subsection 6. Coverage Extensions, is amended to include:

If you occupy a covered location that you do not own, we cover the signs and glass that you use in your business at the covered location. Sign and glass coverage include:

- (1) Lettering and ornamentation;
- (2) Signs or glass that are on the exterior of the insured premises; and
- (3) Signs or glass that are on the exterior of the insured premises (or covered location) but that are within an enclosed structure.

We will cover such signs and glass for direct physical loss or damage from any covered cause of loss applying to your Business Personal Property.

We will not pay for loss of or damage to any sign or glass at any location at which you are required by lease or other contract to insure the Business Real Property, unless such lease or other contract specifically requires you to insure the exterior signs at the location.

The most we will pay for loss or damage in any one occurrence under this Additional Coverage, regardless of the number of signs or panes of glass lost or damaged, is the limit shown in the Schedule that applies to Sign and Glass Coverage.

This Additional Coverage shall apply only as excess insurance over any insurance provided by or for the building owner, whether or not any proceeds under any such policy are collectible.

XXIV. Contract Penalty Clause Coverage

Section I, Property A, Coverage, Subsection 6. Coverage Extensions, is amended to include:

- a. We will pay the contractual penalties you are required to pay to your customers as a result of any clause in a contract you enter into due to our failure to timely deliver your product or service according to the contract terms. The penalties must solely result from direct physical loss or damage by a Covered Cause of Loss to covered property which occurs after you enter into such contract.
- b. The most we will pay for loss or damage in any one occurrence under this coverage grant is the Limit of Insurance shown in the schedule that applies to this endorsement for **Contract Penalty Clause Coverage**.

XXV. Unintentional Property Errors and Omissions

Section I, Property A, Coverage, Subsection 6. Coverage Extensions, is amended to include:

- a. Any unintentional error or omission you make in determining and/or reporting values to us or in describing the covered property or premises to us shall not void or impair coverage provided by this policy. You must however, report such errors or omissions to us in writing as soon as you discover them. You also agree to pay such additional premium as may be appropriate.

b. This provision does not apply to loss or damage caused directly or indirectly by flood or earth movement or to property which is otherwise insured by this or any other insurance.

c. The most we will pay under this coverage in any one occurrence is the Limit of Insurance shown in the Schedule that applies to **Unintentional Property Errors And Omissions**.

XXVI. Water Damage:

Section I, Property Coverage, Exclusions B, item f(5) of AB 90 02 12 93, is amended by deleting the following:

- a. Water that backs up from a sewer or drain: or
- b. Water under the ground surface pressing on, flowing or seeping through:
 - 1. Foundations, walls, floor, or Paved surfaces;
 - 2. Basements, whether paved or not; or
 - 3. Doors, windows, or other Openings.

XXVII. Who Is An Insured:

Section II, Liability Coverage, Who Is an Insured is amended to include:

- f. A person you designate as an **interim innkeeper**, but only for acts within the scope of your business.

An **interim innkeeper** is someone you designate, other than an employee, to manage your inn in your absence.

XXVIII. Section II, Liability Coverage, Section J of AB 90 00 12 93, Liability and Medical Payments Limits of Liability is amended to include:

- c. This coverage applies to household guests, while staying at your **residence premises** who are not regular members of your household, unless otherwise excluded in this policy.

XXIV. Other Insurance

Section II, Liability Coverage, Section J, of AB 900012 93, Liability and Medical Payments Limits of Liability is amended to include:

Unless otherwise stated, if there is other insurance covering the same loss or damage under this policy or any other policy, we will pay only for the amount of covered loss or damage in excess of the amount due from the other insurance, whether collectible or not. But we will not pay more than our applicable Limit of Insurance.

All other terms and conditions of the policy apply.

**American Business Coverage Hotel/Motel, Inn Proprietor or Manager Residential
Special Endorsement AB 93 58 10 08**

This endorsement modifies insurance provided under the following:

American Business Coverage AB 9000 12 93


Schedule:

Coverage Description:	Limit of Insurance
Damage to Property of Others	\$1,000. per occurrence
Interim Innkeeper	Included in definition of insured
Loss of Use of Residence Premises	\$25,000
Personal Effects	\$50,000
Personal Liability	\$1,000,000 per occurrence and in the aggregate
I. Section I, Property, Coverage A, Section 5, Additional Coverages, of Property/Liability Policy AB 9000 12 93 is amended to include:	from the date of the covered loss or the order from the civil authority.
U. Loss of Use of Residence Premises :	(3) The most we will reimburse you under this coverage is the Limit of Insurance shown in schedule of this
(1) When a specified cause of loss occurs that renders the Residence Premises unfit for habitation, or an action of a civil authority prohibits the use of the Residence Premises , we will reimburse you for the reasonable increase in living expense that you incur while you live elsewhere.	(4) endorsement that applies to Loss of Use of the Residence Premises .
(2) We will only reimburse you for the increase in expenses from the time of the specified cause of loss until the damage is repaired or you relocate, whichever is earlier. When a civil authority does not allow you to use the Residence Premises , we will only pay for the increase in expenses for a period of 30 days	II. Section I, Property, Coverage A, Section 6., Coverage Extensions, Property/Liability Policy AB 9000 12 93 is amended to include:
	(e) Personal Effects:
	Our limit of liability is increased to the amount shown in the Schedule of this endorsement that applies to Personal Effects. For the purpose of the coverage afforded

This Form must be attached to Change Endorsement when issued after the policy is written.
One of the **Fireman's Fund Insurance Companies** as named in the policy.



Secretary



President

under this endorsement, personal effects is amended to include, silver, furs and jewelry.

III. Section II, Liability, Section 2, Part I (2), Who is An Insured, of Property/Liability AB 9000 12 93 is amended to include:

- f. A person you designate as an **Interim Innkeeper**, but only for acts within the scope of your business.

IV. Section II, Liability, Part G, of Property/Liability Policy AB 9000 12 93 is amended to include the following additional coverage:

Coverage E: Coverage for Personal Liability

1. Personal Liability

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of **bodily injury, property damage, or personal injury** to which this insurance applies. We will have the right and duty to defend any **suit** actually seeking those damages. However, we will have no duty to defend any insured against any **suit** seeking damages for **bodily injury, property damage, or personal injury** to which this insurance does not apply. The duty and right to defend a **suit** does not begin until we are asked to defend the **suit**. We may at our discretion investigate any **occurrence** and settle any claim that may result. But:

- (1) The amount we will pay for damages is limited as described in the Schedule of Coverage of this endorsement-Personal Liability Limits of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments or

settlements under Coverage E. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Coverage Extension-Supplementary Payments.

- b. The limit of Insurance for Personal Liability shown in the Schedule of Coverage of this endorsement and the rules below fix the most we will pay regardless of the number of:

- (1) **Insureds**
- (2) Claims made or **suits** brought; or
- (3) Persons or organizations making claims or bringing **suits**.

- c. The most we pay for the sum of all damages because of all:

- (1) **bodily injury and property damage** arising out of all **occurrence(s)**
- (2) **personal injury** sustained by all persons and organizations

is the Limit of Insurance shown in the Schedule of Coverage as applicable Per Occurrence and in the Aggregate.

- d. This insurance applies:

- (1) To **bodily injury and property damage** only if:

- (a) The **bodily injury or property damage** is caused by an **occurrence** that takes place in

- the **coverage territory**;
and
(b) The **bodily injury** or **property damage** occurs during the policy period.
- (2) To **personal injury** caused by an **offense** but only if the **offense** was first committed in the **coverage territory** during the policy period.
- e. Damages because of **bodily injury**, include damages claimed by any person for care, loss of services or death resulting at any time from the **bodily injury**.
- f. **Property damage** that is loss of use of tangible property that is not physically injured will be deemed to occur at the time of the **occurrence** that caused it.
- V. Section II, Liability Part G. Coverage C, Subsection e Coverage Extension, Supplementary Payments of Property/ Liability Policy AB 9000 12 93 is amended to include:
1. First Aid Expenses- We will pay up to \$10,000 in expenses for first aid to others incurred by an **insured** for **bodily injury**, caused by an **occurrence** under this policy. We will not pay for first aid to an **insured**.
 2. Damage to Property of Others- We will pay, at replacement cost, up to \$1,000 per **occurrence** for

property damage caused by an **insured** to property of others not specifically covered in this policy.

VI. Section II Liability, Part H of Liability AB 9000 12 93 Exclusions, are incorporated in their entirety by reference.

VII. Section II- Liability and Medical payments General Conditions, sub-section K Property/ Liability Policy AB 9000 12 93 is hereby incorporated in its entirety by reference.

VIII. Section III, Personal Liability of Property/ Liability Policy AB 9000 12 93 is amended to include the Definitions:

(1) **Residence Premises** means that part of the inn, hotel, motel you and your family occupy, other than inn guest rooms, and common rooms primarily used by the inn's guests.

(2) **Interim Innkeeper** means someone you designate other than an employee to manage your inn, hotel, motel in your absence.

All other terms and conditions of the policy apply.

<i>SERFF Tracking Number:</i>	<i>FFDC-125808808</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>American Automobile Insurance Company, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$50</i>
<i>Company Tracking Number:</i>	<i>NARAB0608</i>		
<i>TOI:</i>	<i>05.0 Commercial Multi-Peril - Liability & Non-</i>	<i>Sub-TOI:</i>	<i>05.0002 Businessowners</i>
	<i>Liability</i>		
<i>Product Name:</i>	<i>American Business Coverage Hotels/Motels/Inn Endorsements Filing</i>		
<i>Project Name/Number:</i>	<i>American Business Coverage Hotels/Motels/Inn Endorsements Filing /NWAB0608</i>		

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: FFDC-125808808 State: Arkansas
 First Filing Company: American Automobile Insurance Company, ... State Tracking Number: EFT \$50
 Company Tracking Number: NARAB0608
 TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners
 Liability
 Product Name: American Business Coverage Hotels/Motels/Inn Endorsements Filing
 Project Name/Number: American Business Coverage Hotels/Motels/Inn Endorsements Filing /NWAB0608

Supporting Document Schedules

Satisfied -Name:	Uniform Transmittal Document-Property & Casualty	Review Status:	Approved	10/09/2008
Comments:				
Attachments:				
	NAIC Transmittal - Form.pdf			
	Form Filing Schedule.pdf			
Satisfied -Name:	Cover Letter	Review Status:	Approved	10/09/2008
Comments:				
Attachment:				
	Cover Letter NWAB0608.pdf			
Satisfied -Name:	Explanatory Memorandum	Review Status:	Approved	10/09/2008
Comments:				
Attachments:				
	explanatory memorandum for AB9354.pdf			
	explanatory memorandum for AB9358.pdf			
Satisfied -Name:	AB9354 AR Marked Copy	Review Status:	Approved	10/09/2008
Comments:				
Attachment:				
	Hab9354 hotel-AR 1008red.pdf			

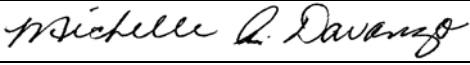
Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only	
	a. Date the filing is received:	
	b. Analyst:	
	c. Disposition:	
	d. Date of disposition of the filing:	
	e. Effective date of filing:	
	New Business	
	Renewal Business	
	f. State Filing #:	
	g. SERFF Filing #:	
h. Subject Codes		

3. Group Name	Fireman's Fund Insurance Companies				Group NAIC #	0761
4. Company Name(s)	Domicile	NAIC #	FEIN #	State #		
Fireman's Fund Insurance Company	CA	21873	94-1610280			
National Surety Corporation	IL	21881	36-2704643			
The American Insurance Company	NE	21857	22-0731810			
Associated Indemnity Corporation	CA	21865	22-1708002			
American Automobile Insurance Company	MO	21849	22-1608585			

5. Company Tracking Number	NARAB0608
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6. Name and address	Title	Telephone #s	FAX #	e-mail
Michelle A. Davanzo	Regulatory Analyst	(415) 899-2660	866-290-0671	Michelle.davanzo@ffic.com
7. Signature of authorized filer				
8. Please print name of authorized filer	Michelle A. Davanzo			

Filing information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	5.0 CMP Liability and Non-Liability			
10. Sub-Type of Insurance (Sub-TOI)	5.0002 Businessowners			
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]				
12. Company Program Title (Marketing title)				
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input checked="" type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)			
14. Effective Date(s) Requested	New:	10-17-08	Renewal:	10-17-08
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
16. Reference Organization (if applicable)				
17. Reference Organization # & Title				
18. Company's Date of Filing	09-9-08			
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved			

Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking #	NARAB0608
21.	Filing Description	[This area can be used in lieu of a cover letter or filing memorandum and is free-form text]

For your consideration and review we are enclosing the filing information for two new endorsements. These endorsements are as follows:

American Business Coverage (ABC) Hotel/Motel/Inn Extension Endorsement AB 9354 05 08

This new coverage form is a proprietary endorsement that enhances the insurance protection for hotel/motel/inn operations. This new extension endorsement provides 31 coverage extensions and enhancements to the AB9000 12 93 Property/Liability policy; this is a mandatory coverage form that will be available to all ABC eligible Hotel/Motel/ Inn customers.

American Business Coverage (ABC) Hotel/Motel/Inn Proprietor or Manager Residential Special Endorsement AB 9358 06 08

This new coverage form is a proprietary endorsement that enhances the insurance protection for Hotel, Motel, and Inn operations. This new extension endorsement provides 7 coverage extensions and enhancements to the AB 9000 12 93 Property/Liability Policy; this is an optional coverage form that will be available to all ABC eligible customers.

This is a form filing.

Enclosed in support of this filing are the following items:

1. American Business Coverage Explanatory Memorandum
2. Hotel/Motel/Inn Extension Endorsement AB 9354 05 08 and Hotel/Motel/Inn Proprietor or Manager Residential Special Endorsement AB 9358 06 08
3. State checklists/forms

Your approval of this filing, which has a proposed effective date of October 17, 2008, would be appreciated.

22.	Filing Fees (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
Check #: Amount: Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.	

***Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

PC TD-1 pg 2 of 2

PROPERTY & CASUALTY FORM FILING SCHEDULE

(This form must be provided **ONLY** when making a filing that includes forms.)
 (Do **not** refer to the body of the filing for the forms listing, unless allowed by the state.)

	This filing transmittal is part of Company Tracking #			NARAB0608	
	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)				
	Form Name/ Description/Synopsis	Form# Include edition Date	Replacement Or Withdrawn	If replacement, give form # it replaces	Previous state filing number, (if required by state)
1	American Business Coverage Hotel/Motel/Inn Extension Endorsement	AB9354 05 08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
2	American Business Coverage Hotel/Motel/Inn Proprietor or Manager Residential Special Endorsement	AB9358 06 08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
3			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
4			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
5			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
6			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
7			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
8			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
9			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		



September 10, 2008

Honorable Julie Benafield Bowman
Commissioner of Insurance
Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201-1904

**RE: American Business Coverage
Hotel/Motel/Inn Endorsements**

Fireman's Fund Insurance Company	761-21873
The American Insurance Company	761-21857
National Surety Corporation	761-21881
Associated Indemnity Corporation	761-21865
American Automobile Insurance Company	761-21849
Company Filing # NARAB0608	

Dear Sir or Madam:

For your consideration and review we are enclosing the filing information for two new endorsements. These endorsements are as follows:

American Business Coverage (ABC) Hotel/Motel/Inn Extension Endorsement AB 9354 05 08

This new coverage form is a proprietary endorsement that enhances the insurance protection for hotel/motel/inn operations. This new extension endorsement provides 31 coverage extensions and enhancements to the AB9000 12 93 Property/Liability policy; this is a mandatory coverage form that will be available to all ABC eligible Hotel/Motel/ Inn customers.

American Business Coverage (ABC) Hotel/Motel/Inn Proprietor or Manager Residential Special Endorsement AB 9358 06 08

This new coverage form is a proprietary endorsement that enhances the insurance protection for Hotel, Motel, and Inn operations. This new extension endorsement provides 7 coverage extensions and enhancements to the AB 9000 12 93 Property/Liability Policy; this is an optional coverage form that will be available to all ABC eligible customers.

This is a form filing.

Enclosed in support of this filing are the following items:

1. American Business Coverage Explanatory Memorandum
2. Hotel/Motel/Inn Extension Endorsement AB 9354 05 08 and Hotel/Motel/Inn Proprietor or Manager Residential Special Endorsement AB 9358 06 08
3. State checklists / forms

Fireman's Fund
Insurance Companies
A member of the
Alliance Group

777 San Marin Drive
Novato, CA 94998
415.899.2000

Your approval of this filing, which has a proposed effective date of October 17, 2008, would be appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Michelle A. Davanzo". The signature is fluid and cursive, with a large initial "M" and a stylized "D".

Michelle A. Davanzo
Regulatory Analyst
Commercial Business, Governance
800-227-1700 ext 2660 wk
415-899-2660



**Hotel/Motel/Inn Extension Endorsement AB 9354 05 08
American Business Coverage Filing Memorandum**

For your consideration and review we are enclosing the filing information for the new American Business Coverage (ABC) Hotel/Motel/Inn Extension Endorsement AB 9354. The proposed effective for this new coverage form is October 17, 2008.

This new coverage form is a proprietary endorsement that enhances the insurance protection for hotel/motel/inn operations. This new extension endorsement provides 31 coverage extensions and enhancements to the AB9000 12 93 Property/Liability policy; this is a mandatory coverage form that will be available to all ABC eligible Hotel/Motel/Inn customers. The rate structure reflects flat premium charges for our ABC risks and is not subject to deviation or schedule modifications.

Enclosed in support of this filing are the following items:

1. American Business Coverage Explanatory Memorandum
2. Hotel/Motel/Inn Extension Endorsement AB 9354 05 08
3. Revised ABC Manual pages 2-9 and 5-9
4. Actuarial Memorandum
5. [State checklists / forms]

American Business Coverage Hotel/Motel/Inn Proprietor or Manager Residential Special Endorsement AB 9358 06 08

American Business Coverage Filing Memorandum

For your consideration and review we are enclosing the filing information for the American Business Coverage (ABC) Hotel/Motel/Inn Proprietor or Manager Residential Special Endorsement AB 9358. The proposed effective for this new coverage is October 17, 2008.

This new coverage form is a proprietary endorsement that enhances the insurance protection for Hotel, Motel, and Inn operations. This new extension endorsement provides 7 coverage extensions and enhancements to the AB 9000 12 93 Property/Liability Policy; this is an optional coverage form that will be available to all ABC eligible customers. The rate structure reflects flat premium charges for our ABC risks and is not subject to deviation or schedule modifications.

Enclosed in support of this filing are the following items:

1. American Business Coverage Explanatory Memorandum
2. American Business Coverage Hotel/Motel/Inn Proprietor or Manager Residential Special Endorsement AB 9358 06 08
3. Revised ABC Manual pages 2-9 and 5-9
4. Actuarial Memorandum
5. (State checklists/forms)

American Business Coverage Hotel/Motel/Inn Extension Endorsement AB 93 54- AR 05 08

Insured:

Policy Number:

Producer:

Effective Date:

This endorsement modifies insurance provided under the following:

American Business Coverage AB 9000

Schedule of Coverages not subject to the Blanket Limit of Insurance

Coverage Description	Limits
Broadened Premises*	1000 ft.
Business Income/Extended Period of Indemnity	365 days
Civil Authority*	Maximum of 4 weeks
Customer Reimbursement	\$500 each guest/\$50,000 Aggregate
Depositor's Forgery*	\$25,000
Evacuation Expense Reimbursement	\$500 each guest/\$50,000 Aggregate
Fine Arts	\$100,000
Foundations	Included in Building Limit
Lost Key	\$5,000/\$15,000 Aggregate
Money and Securities*	\$25,000
Money Order or Counterfeit Money*	\$25,000
Property of Others	\$50,000
Signs and Glass Coverage (Where Insured Does Not own the Building)	\$25,000

Schedule of Coverages subject to the \$500,000 Blanket Limit of Insurance

Coverage Description	Sub-Limits of Insurance	Additional Limits
Accounts Receivable*		
Alternative Key Systems		
Business Personal Property Off Premises*		
Communicable Disease Extra Expense		
Contaminated Food		
Costs		
Time Element		
Contract Penalty Clause Coverage		
Cost of Expediting*		
Cost of Inventory, Appraisal, Adjustment Expense*		
Employee Dishonesty Coverage	\$25,000	
Fire Department Service Charge*		
Fire Protective Devices*		
Income Support Properties*		
Key Employee Replacement Coverage		
Loss of Refrigeration		
Newly Acquired Buildings*		
Off-Premises Services		
Off-Premises Special Event Cancellation		
Outdoor Property, Trees, Shrubs or Lawns*		
Realty Tax Increased Assessment		
Reservation Systems		
Spoilage		
Tips Included as Business Income		
Unintentional Property Errors and Omissions		

Coverage Description	Sub-Limits of Insurance	Additional Limits
Valuable Papers and Records*		
Water Damage	\$15,000	
Wine Collection at Menu Selling Price		

***Refer to AB 9000 for coverage conditions**

(If no entry appears above, information required to complete this Endorsement will be shown in the Declarations as applicable to this Endorsement.)

I. Schedule of Coverages Not Subject to the Blanket Limit of Insurance

- A. For all coverages with specified sub-limits in the **Schedule of Coverages not subject to the Blanket Limit of Insurance** shown above; the most we will pay in any single occurrence is the specified sub-limit for the scheduled coverage item.
- B. The limits stated in this endorsement replace any other limits for all coverages in the **Schedule of Coverages not subject to the Blanket Limit of Insurance** provided under the Property/Liability policy AB 90 00 12 93 to which this endorsement is attached.

II. Schedule of Coverages Subject to the Blanket Limit of Insurance

A. \$500,000 Blanket limit of Insurance

A \$500,000 combined **Blanket Limit of Insurance** applies in each occurrence to all coverages described in the **Schedule of Coverages subject to the Blanket Limit of Insurance** shown above. You may elect to apportion the \$500,000 **Blanket Limit of Insurance** to a single coverage or between any combination of coverages for loss in each occurrence. However, regardless of how the **Blanket Limit of Insurance** is apportioned or the number of locations involved the most we will pay in any single occurrence is \$500,000.

This **Blanket Limit of Insurance** does not apply to any other coverages provided by this policy.

B. Specified Sub-Limits

For all coverages with specified sub-limits in the **Schedule of Coverages subject to the Blanket Limit of Insurance** shown above, the most we will pay in any single occurrence is the specified sub-limit for the scheduled coverage item. Any specified sub-limits are included within the **Blanket Limit of Insurance** and do not increase the \$500,000 **Blanket Limit of Insurance**.

C. Additional Limits of Insurance

Additional Limits of Insurance may be purchased for each of the coverages listed above. If purchased, these Additional Limits of Insurance will be designated in the **Schedule of Coverages subject to the Blanket Limit of Insurance**, and will apply in addition to whatever amount you have otherwise apportioned to that coverage under the **Blanket Limit of Insurance**.

The limits stated in this endorsement replace any other limits for all coverages in the **Schedule of Coverage subject to the Blanket Limit of Insurance** provided under the Property/Liability policy AB 90 00 12 93 to which this endorsement is attached.

III. Broadened Premises Coverage

1. The opening paragraph of Section I, Property Coverage, (1)(b) Business Personal Property, is amended to include:

Business Personal Property located in or on the buildings at the described premises or in the open (or in a vehicle) within 1000 feet of the described premises.

All other provisions of section 1.b. remain unchanged.

IV. Section I Property, A. Coverage, Subsection 2. Property Not Covered, item i., of Property/Liability Policy - AB 90 00 12 93, is amended to include:

However, if the Declarations show you have Building Coverage, we will pay for loss to:

- (1) foundations of covered buildings, structures, machinery and boilers, and
- (2) foundations of equipment and machinery, whether above or below ground.

The Policy Deductible applies to this extension of coverage.

V. Section I Property, A Coverage, Subsection 5. Additional Coverages, item d. of

Property/Liability Policy -AB 90 00 12 93, is amended to include:

d. Fire Department Service Charge

The most we will pay any one person under this Additional Coverage is the Limit of Insurance shown in the Schedule of this Endorsement that applies to Fire Department Service Charge.

VI. Section I Property, A Coverage, Subsection 5. Additional Coverages, item g. of Property/Liability Policy -AB 90 00 12 93, is deleted in its entirety and is replaced by the following:

g. Business Income

We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your **operations** during the **period of restoration**. We will also pay for the actual loss of Business Income you incur during the period that:

- (1) Begins on the date property is actually repaired, rebuilt or replaced and operations are resumed; and
- (2) Ends on the earlier of:
 - (a) The date you could restore operations with reasonable speed, to the condition that would have existed if no direct physical loss or damage occurred; or
 - (b) 365 consecutive days after the date determined in (1) above.

But we will not pay for any loss of Business Income beyond 24 consecutive months after the date of direct physical loss or damage.

The suspension must be caused by direct physical loss of or damage to property at the described premises, including personal property in the open (or in a vehicle) within 1000 feet, caused by or resulting from any Covered Causes of Loss.

Business Income means the:

- (1) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- (2) Continuing normal operating expenses incurred, including payroll.

Business Income Extension

Your Business Income coverage is extended to apply to property at any location you acquire other than fairs or exhibitions. The most we will pay for loss under this Extension is \$10,000. This additional coverage is not subject to the Limits of Insurance.

Business Income Exclusions

We will not pay for:

- (1) Any increase of Business Income loss caused by or resulting from:
 - (a) Delay in rebuilding, repairing or replacing the property or resuming **operations**, due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
 - (b) Suspension, lapse or cancellation of any license lease or contract. But, if the suspension, lapse or cancellation is directly caused by the suspension of **operations**, we will cover such loss that affects your Business Income during the **period of restoration**.
- (2) Any other consequential loss.
- (3) Tip income of your employees:
 - (a) As reported to you by your employees; and
 - (b) Reported by you to the Internal Revenue Service in accordance with Internal Revenue Service Regulations.

VII. Communicable Disease Extra Expense

Section I Property, A Coverage, Subsection 5. Additional Coverages, item h of Property/Liability Policy -AB 90 00 12 93, is amended to include:

a. We will pay for the actual expense you incur due to a **communicable disease event** occurring at your premises. The extra expense must be a result of a **communicable disease event** that has taken place at a covered location.

b. We will not pay for any loss under this Additional Coverage which is caused directly or indirectly by any of the following:

1. Fines or penalties of any kind;
2. Any increase of loss or extra expense caused by or resulting from the suspension, lapse or cancellation of any license, lease or contract;
3. The cost of replacing actual or suspected contaminated property from the insured location, or any other location;
4. Any loss otherwise excluded by an applicable exclusion to this policy.

c. **Communicable Disease** means any disease caused by a biological agent that is transmitted directly or indirectly from one individual to another.

d. **Communicable Disease event** means that an official Public Health Authority has ordered that your premises be evacuated and disinfected due to the outbreak of a **communicable disease** at the covered location.

e. For purposes of the Additional Coverage, Extra Expense is limited to:

(i). The actual expense you incur to evacuate the covered location due to a **communicable disease event**; and

(ii). The actual expense you incur to disinfect the covered location of the **communicable disease**; and

(iii). The actual expense you incur to test the covered location to confirm disinfection of the **communicable disease**.

f. This Additional Coverage does not create any Business Income coverage under any coverage for which provides coverage for Business Income.

g. All other provisions of this policy apply to this Additional Coverage.

h. The most we will pay under this Additional Coverage in any one occurrence is the Limit of Insurance shown in the Schedule that applies to this Endorsement for **Communicable Disease Extra Expense**.

VIII. Additional Coverages – Civil Authority

Section I Property, A Coverage, Subsection 5. Additional Coverages, item i of Property/Liability Policy -AB 90 00 12 93, is deleted and replaced by the following:

i. Civil Authority

We will pay for the actual loss of Business Income you sustain and necessary extra expense caused by action of civil authority that prohibits access to the described premises due to direct physical loss or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss. This coverage will apply for a period of up to four consecutive weeks from the date of that action.

IX. Additional Coverage – Accounts Receivable

1. Section I Property, A Coverage, Subsection 5. Additional Coverages, item I(1)(a) of Property/Liability Policy -AB 90 00 12 93, is

deleted and replaced by the following:

- (a) All amounts due from your customers, including credit card invoice records of balances, that you are unable to collect;

2. Section I Property, A Coverage, Subsection 5. Additional Coverages, item l(3)(a) of Property/Liability Policy -AB 90 00 12 93, is deleted and replaced by the following:

- (a) The amount shown in the Schedule of this Endorsement; or

X. Valuable Papers and Records

Section I Property, A Coverage, Subsection 5. Additional Coverages, item m(5)(a) of Property/Liability Policy -AB 90 00 12 93, is deleted and replaced by the following:

- (a) Our limit of liability is increased to the amount shown in the Schedule of this Endorsement; or

XI. Fire Protection Devices

Section I Property, A Coverage, Subsection 5. Additional Coverages, item n of Property/Liability Policy -AB 90 00 12 93, is amended to include:

Our limit of liability is increased to the amount shown in the Schedule of this Endorsement for Fire Protective devices.

XII. Cost of Inventory, Appraisal or Adjustment Expense

Section I Property, A Coverage, Subsection 5. Additional Coverages, item o of Property/Liability Policy -AB 90 00 12 93, is amended to include:

The \$1,000 limit of liability for this coverage is amended to be the limit of insurance shown in the Schedule of this endorsement that applies to Cost of Inventory, Appraisal or Adjustment Expense.

XIII. Cost of Expediting

Section I Property, A Coverage, Subsection 5. Additional Coverages, item p of Property/Liability Policy -AB 90 00 12 93, is amended to include:

The \$2,500 limit of liability for this coverage is amended to be the limit of insurance shown in the Schedule of this Endorsement that applies to Cost of Expediting.

XIV. Income Support Properties

Section I Property, A Coverage, Subsection 5. Additional Coverages, item j of Property/Liability Policy -AB 90 00 12 93 is amended to include:

The \$15,000 limit of liability for this coverage is amended to be the limit of insurance shown in the Schedule of this endorsement that applies to Income Support Properties

XV. Money and Securities

Section I Property, A Coverage, Subsection 5. Additional Coverages, item r.(3)(a) and (b), Property/Liability Policy -AB 90 00 12 93, is amended to include:

Our maximum limit of liability is increased to the amount shown in the Schedule of this Endorsement whether inside the premises or outside the premises.

XVI. Section I Property, A Coverage, Subsection 5. Additional Coverages, of Property/Liability Policy -AB 90 00 12 93, is amended to include:

u. Alternative Key Systems

- (1) We will pay for loss or damage to, or cost to reprogram, **alternative key systems**, including card programmers, card-readers, computers, related alarms, transceivers, power supplies and any other electronic or mechanical apparatus needed to make the card keys work. The loss must be caused by a Covered Cause of Loss and must take place at a covered location described in the declarations.

- (1) **Alternative key systems** means programmable keying systems, such as mechanically or electronically coded key cards.

- (2) The most we will pay for loss or

damage under this Additional Coverage is the Limit of Insurance shown in the Schedule that applies to this Endorsement for Alternative Key Systems.

v. Customer Reimbursement

(1) We will pay your actual expense to reimburse customers for whom prearranged accommodations at a covered location cannot be honored because of direct physical loss or damage to covered property at the covered location caused by or resulting from a Covered Cause of Loss.

(2) We will reimburse you only for:

- (a) Reasonable expenses incurred to secure other comparable accommodations;
- (b) Reasonable extra expenses incurred to travel back and forth from the covered location to the replacement accommodation; and
- (c) Prepaid amounts spent for activities away from the described accommodation which are lost because of other comparable accommodations are unavailable.

(3) We will reimburse you for the expenses listed above incurred by any customer between the date the customer's prearranged accommodations are scheduled to begin or are interrupted, whichever is later, and the earliest of the following dates:

- (a) The date the customer's prearranged accommodations at your inn are scheduled to end, or
- (b) The date the damaged property at your inn can be repaired with reasonable speed and comparable size, materials, quality and usefulness.

You must resume all or part of your operations and resume honoring prearranged accommodations at the

covered location as soon as possible. If you fail to do so, the amount we pay under this coverage extension will be reduced by the amount that could have been saved.

Customer reimbursement covered under this extension is not Extra Expense.

For each guest and each occurrence, we will not pay more than the Limit of Insurance shown in the Schedule of this Endorsement that applies to Customer Reimbursement Expense.

w. Employee Dishonesty Coverage

(1) We will pay for direct physical loss of covered property resulting from dishonest or fraudulent acts committed by any of your employees acting alone or in concert with other persons (except you or your partner) while they work for you and for 30 days after they leave your employment.

We will pay for loss of or damage to money, securities and other property resulting directly from the use of any computer to fraudulently cause a transfer of that property from inside the premises or banking premises to a person (other than a messenger) outside those premises, or to a place outside those premises.

We will pay for loss of funds resulting directly from a fraudulent instruction directing a financial institution to transfer, pay, or deliver funds from your transfer account.

The property covered is:

- (a) Money;
 - (b) Securities;
 - (c) Other property that is tangible and has an intrinsic value which you own, hold, or for which you are legally liable.
- (2) An employee is a natural person who is subject to your direction and control. Independent contractors or agents or representatives of the same general character are not employees.

If you are a non-profit organization, employee does include any non-compensated natural person, other than a fund solicitor, while performing services for you that are usual to the duties of an employee.

(3) The dishonest or fraudulent act(s) must be committed within the Coverage period and with the manifest intent to:

(a) Cause you to sustain loss or damage; and also

(b) Obtain financial benefit {other than salaries, commissions, fees, bonuses, promotional awards, profit sharing, pensions or other employee benefits earned in the normal course of employment} for:

2. Any employee; or

3. Any other person or organization.

(4) We will pay only for covered loss discovered within 90 days after the end of the Coverage period or cancellation date of this insurance whichever is earlier.

(5) We will not pay for loss, or any part of any loss:

(a) The proof of which is dependent upon either:

i. An inventory computation; or

ii. A profit and loss computation.

(b) Resulting from any act of an employee after the time that you, or any of your partners or officers have discovered or have knowledge of any dishonest act employee committed by that employee before or after being hired by you.

(c) That is an indirect result of any dishonest or fraudulent act including loss:

ii. Which relates to your inability to earn income; or

iii. Which is a penalty, or interest payment; or

iv. Which is an expense related to any legal action

(6) If you have made a timely discovery and timely claim on more than one policy we or any affiliate has issued to you or any affiliate of yours, the most we will pay is the highest limit payable on any one policy.

An occurrence, means all loss caused by any employee or in which that person is involved, whether all loss involved one or more acts of dishonesty even when more than one employee is involved.

All loss caused by an unidentifiable employee or employees is one occurrence unless there is proof that no one employee could have been involved in all of the loss. Involved means to have had an effect on.

(7) If you (or any predecessor in interest) sustained loss during the period of any prior insurance that you could have recovered under that insurance except the time within which to discover loss had expired; we will as part of, not in addition to the Limit of Insurance of this Coverage, pay for it under this Coverage, provided:

(a) This Coverage became effective at the time of cancellation or termination of the prior insurance; and

(b) The loss would have been covered by this Coverage had it been in effect when the acts were committed; and

(c) An amount being paid as part of the Limit of Insurance is limited to the lesser of the amount recoverable under:

i. This Coverage as of its effective date; or

ii. The prior insurance had it remained in effect.

(8) ERISA PLANS as a named insured under Employee Dishonesty Coverage have the following provisions without increasing the Limit of Insurance for Employee Dishonesty Coverage. These provisions are in compliance with certain provisions of the Retirement Income Security Act (ERISA).

- (a) If any Plan is insured jointly with any other entity under this insurance, you or the Plan Administrator must select a Limit of Insurance for the Employee Dishonesty Cover Form that is sufficient to provide an amount of insurance for each Plan that is at least equal to that required if each Plan were separately insured.
 - (b) If the insured first named in the Declarations is an entity other than a Plan, any payment we make to that Insured for loss sustained by any Plan will be held by the Insured for the use and benefit of the Plan(s) sustaining the loss.
 - (c) If two or more plans are insured under this insurance, any payment we make for the loss:
 - i. Sustained by two or more Plans; or
 - ii. Of commingled funds or other property of two or more Plans that arises out of the occurrence, is to be shared by each Plan sustaining loss in the proportion that the amount of insurance required for each such Plan under ERISA provisions bears to the total of those amounts.
 - (d) The deductible provisions of the Employee Dishonesty Coverage Form does not apply to loss sustained by any Plan subject to ERISA which is insured under this Insurance.
- (9) Recoveries, less the cost of obtaining them, made prior to settlement of loss under this Employee Dishonesty

coverage, are to be credited to the loss.

(10) Your duties in the event of a loss include:

- (a) After you discover a loss or a situation that may result in a loss under this Coverage, you must:
 - i. Notify us as soon as possible and provide an outline of the facts as known to you.
 - ii. Do nothing after loss to impair your rights of recovery against any person or organization.
 - iii. Give us a detailed, sworn proof of loss within 90 days of our request, or 120 days after you discover a loss if we have not made a written request for a proof of loss.
 - iv. Produce for our examination all pertinent records.
 - v. Cooperate with us in the investigation of your claim; and
 - vi. Submit to examination under oath at our request and give us a signed statement of your answers.
- (b) You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must do everything necessary to secure those rights for us.

(11) We will pay up to \$1,000 to cover the costs you incur to investigate in order to prepare your proof of loss. This coverage does not increase your coverage limit and it is payable only if you have a covered claim.

(12) You may not bring legal action against us involving loss under this endorsement:

(a) Unless there has been full compliance with all of the terms of this insurance; and

(b) Unless the action is brought within **five** years after the date on which you discover the loss.

This insurance provides no rights or benefits to any other person or organization.

(13) Distribution of recovery:

(a) Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this insurance will be distributed as follows:

i. To you, until you are reimbursed for that loss that you sustain that exceeds the Limit of Insurance and the Deductible Amount, if any;

ii. Then to us, until we are reimbursed for the settlement made;

iii. Then to you, until you are reimbursed for that part of the loss equal to the Deductible Amount, if any.

(14) If more than one insured is named in the Declarations, the first named insured will act for itself and for every other insured for ~~the~~ purposes of this insurance.

x. Evacuation Expense Reimbursement

(1) We will reimburse you for reasonable and necessary expenses you actually incur to evacuate a covered location because of imminent danger to the life or well-being of your customers caused by an external event or a condition at the covered location.

(2) We will not reimburse you for evacuation expenses arising out of any:

(a) Planned evacuation drill

(b) Strike, bomb threat or false fire alarm, unless a civil authority having jurisdiction orders you to evacuate the covered location

(3) This coverage only applies if you report the expense to us in writing no later than sixty (60) days from the date of the evacuation or from the end of the policy period, whichever is earliest. The most we will reimburse you under this coverage for one occurrence is the Limit of Insurance shown in the Schedule of this Endorsement that applies to Evacuation Expense Reimbursement.

y. Fine Arts

We will pay for loss or damage to your fine arts and fine arts owned by others in your care, custody or control at covered locations. We cover such property against direct physical loss or damage from a cause of loss we cover applying to your business personal property at the location.

Fine arts means property that is rare or of artistic or historic value.

The most we will pay for loss or damage in any one occurrence is the Limit of Insurance shown in the Schedule of this endorsement that applies to Fine Arts.

If there is other insurance covering the same loss or damage provided by this Additional Coverage, whether covered by this policy or any other policy, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance— but we will not pay more than the applicable Limit of Insurance shown in the Schedule of this Endorsement that applies to Fine Arts.

z. Loss of Refrigeration

(1) We will pay for loss or damage to your goods contained in the refrigeration units at the premises described in the Declarations caused by or resulting from:

(a) mechanical or electrical breakdown of the refrigeration units, their controls, and related

equipment which are owned or used by you, or

- (b) a power failure, either on or off the described premises, which causes a change in temperature or humidity due to conditions beyond your control.
- (2) We will not pay for any loss or damage if you fail to use reasonable care to maintain all refrigeration unit in proper operating condition.
- (3) The most we will pay for loss or damage in any one occurrence under this extension is the Limit of Insurance shown in the Schedule of this Endorsement that applies to Loss of Refrigeration.

aa. Lost Key Coverage

- (1) We will pay for consequential loss to keys and locks if a master key or grand master key is lost or damaged resulting from a Covered Cause of Loss. We will pay for the actual cost to replace new keys, adjustment of locks to accept new keys, or if required, new locks including the cost of their installation.
- (2) The most we will pay for loss or damage under this coverage is the Limit of Insurance shown in the Schedule of this Endorsement that applies to Lost Key Coverage.

bb. Reservation Systems

- (1) We will pay the actual loss of business income and extra expense you sustain due to direct physical loss or damage, caused by or resulting from any Covered Cause of Loss, at the premises of a franchisor, referral system or other service, except a travel agency, upon whom you depend for the booking of reservations and which is not owned by or leased to you.
- (2) Our limit of liability for this coverage is the Limit of Insurance shown in the Schedule of this Endorsement that applies to Reservation Systems.

cc. Contaminated Food

(1) If a Board of Health orders your premises closed; or

(2) either you or any government body makes an announcement warning the public of a health hazard because of either the discovery or the suspicion that contaminated food has been served to your patrons at a location described in the Declarations:

(3) We will pay:

- (a) your cost to clean your equipment per local Board of Health requirements;
- (b) your cost to replace consumable goods declared contaminated by the local Board of Health;
- (c) the cost of necessary medical tests and vaccines for infected employees
- (d) your actual expenses to reimburse patrons for reasonable doctor's care, medical tests and hospitalization, made necessary by their actual or suspected consumption of contaminated food at a covered location
- (e) the actual loss of Business Income at the affected covered location~~(s)~~ described in the Declarations
- (f) paid leave for all employees until the site has been cleared by the local Board of Health for reopening and
- (g) extra advertising cost to restore your reputation.

Our limit of liability for this coverage is the Limit of Insurance shown in the Schedule that applies to this Endorsement for Contaminated Food.

dd. Off Premises Services- Time Element

(1) Coverage

We will pay for loss of Business Income or Extra Expense at the location caused by the interruption of service to the covered location. The interruption must result from direct

physical loss or damage by a Covered Cause of Loss, not on the covered location from one of the following services:

(a) Water supply services, meaning the following property supplying water to a covered location:

- i. Pumping stations and
- ii. Water mains.

(b) Communication supply services, meaning the following property supplying telephone, radio, microwave or television services to a covered location:

- i. Communication transmission lines;
- ii. Coaxial cables; and
- iii. Microwave radio relays, except satellites.

Communication supply services do not include overhead transmission lines or telephone, fax or similar systems owned by franchisers, referral systems or other services upon whom you depend for reservations.

(c) Power supply services, meaning the following types of property supplying electricity, steam or gas to a covered location:

- i. Utility generating plants;
- ii. Switching stations;
- iii. Substations;
- iv. Transformers; and
- v. Transmission lines.

Power supply services do not include overhead transmission lines.

(2) Deductible and Limit of Insurance

We will only pay for loss you sustain after the first twenty four (24) hours following the loss of service by direct

physical loss or damage to the off-premises services described above.

The most we will pay for this coverage is the limit of insurance shown in the Schedule that applies to this Endorsement for Off Premises Services.

ee. Off Premises Special Event Cancellation

We will pay the actual loss of Business Income or rental value you sustain if a **special event**, not at a covered location, is canceled due to direct physical damage to property anywhere in the coverage territory, but only if the property damage is caused by a Covered Cause of Loss.

The amount we pay will be reduced by any income you receive from the use, in whole or in part, of any space reserved for a special event that has been canceled.

The most we will pay for any one loss under this coverage is the Limit of Insurance shown in the Schedule above for this Off Premises **Special Event** Cancellation coverage.

Section I.A.5.g. (1)(b) of the Business Income Exclusions does not apply to Off Premises Special Event Cancellation coverage.

For the purpose of this coverage, property damaged does not include property belonging to any supplier of water services, communication services or power services.

Special event means any convention, conference, banquet, seminar, wedding, party or other public or private event, gathering or group meeting for which you have reserved space, and/or contracted for food, equipment or other supporting material or services away from your premises, but within the coverage territory of the policy to which this endorsement is attached.

ff. Wine Collection at Menu Selling Price:

We will pay for loss or damage to your **restaurant wine collection** at the locations shown in the Schedule caused by or resulting from a cause of loss we cover applying to your business personal property. The most we will pay for the loss

or damage in any one occurrence is the Limit of Insurance shown in the Schedule.

In the event of loss or damage, we will determine the value of your **restaurant wine collection** at your selling price less discounts and expenses you otherwise would have had.

Restaurant wine collection at Menu Selling Price is defined as stock held for sale in your restaurant consisting of wine, champagne, sparkling wine, brandy or other bottled alcoholic beverages that are not readily replaceable with like kind and quality through normal distribution sources common in the industry.

Your selling price will be determined utilizing your pre-loss inventory records and mark-up procedures, or your pre-loss menu price for each item, whichever is less.

The deductible that applies to business personal property of the policy also applies to this coverage.

gg. Realty Tax Coverage – Increased Assessment

1. If a **Covered Cause of Loss** results in direct physical loss or damage to Covered Property at a covered location described in the Declarations, we will reimburse you for the increased realty tax liability directly attributed to the repair, rebuilding, or reconstruction of the damaged property as covered by this policy.
2. We will pay for such increased realty tax liability if it is assessed within 2 years of a covered loss. However, we will only pay the first such increased assessment following any realty tax assessment increase that is insured under this coverage;
3. The most we will pay for loss or damage under this Additional Coverage is the Limit of Insurance shown in the Schedule that applies to this Endorsement for **Realty Tax Coverage-Increased Assessment**.

hh. Key Employee Replacement Expense

1. We will pay for **key employee replacement expense** resulting from your permanent loss of the services due to death or permanent disability of a **key employee** by a **covered key employee accident or illness**. However, this Additional Coverage does not apply if such **key employee** is terminated by you for any reason.
2. Coverage under this extension will take effect on the date of the permanent loss of services of the **key employee** due to a **covered key employee accident or illness** and ends 60 days after the replacement for the **key employee** is hired, subject to a maximum of 180 days from the date of the permanent loss of services of the **key employee**.
3. Coverage under this extension applies only if the **covered key employee accident or illness** occurs while this Extension Endorsement is in effect, however the period of time for which we will pay **key employee replacement expense** will not be limited by the expiration of your policy.
4. Coverage under this extension does not apply to death or permanent disability caused by:
 - a. War, including undeclared war or civil war;
 - b. Insurrection, rebellion, revolution usurped power, or action taken by governmental authority in hindering or defending against any of these;
 - c. Nuclear reaction or radiation, or radioactive contamination, however caused;
 - d. Pregnancy, childbirth, miscarriage or termination of pregnancy; or
 - e. Suicide, attempted suicide or intentional self inflicted injury or illness.
5. Coverage does not apply to any additional expense you incur to replace the **key employee** that you would not have incurred if you had used all reasonable means to:
 - a. find a permanent replacement; or
 - b. reduce or discontinue the **key employee replacement expense**, as

soon as possible after your permanent loss of the services to your business performed by the **key employee**.

6. This insurance does not cover **key employee replacement expense** for a **key employee** who was hired to replace an injured or deceased **key employee** covered by this insurance, unless the replacement **key employee** was injured or killed by a covered **key employee accident or illness**.
7. The most we will pay for loss or expense from the loss of services of any one **key employee** under this Additional Coverage is the Per Key Employee Limit of Insurance shown in the Schedule of this Endorsement that applies to Key Employee Replacement Expense.

Covered key employee accident or illness means:

1. A verifiable sudden accidental occurrence causing bodily injury, or
2. An illness which is first diagnosed during the policy period and after the date the **key employee** is hired, and
3. is not otherwise excluded in this Extension

Which solely and independently of any other cause results in the **key employee's**:

1. Death; or
2. Permanent disability, meaning the permanent physical inability of the **key employee** to perform the duties required by his or her job at your business,

Which occurs within one year of the **covered key employee accident or illness**.

Key employee means a general manager, executive chef, executive pastry chef or sommelier, employed by you.

Key employee replacement expense means the necessary expenses you incur that you would not have incurred if you

had not lost the services of the **key employee** for:

1. Replacement recruiting expenses including the fees paid to a search firm, advertising costs, travel costs during the interview process and other expenses directly related to the recruitment process for a replacement **key employee**;
2. Expenses to relocate the replacement **key employee** to live within a reasonable commuting distance from your business location; and
3. Additional training or education during the replacement **key employee's** the first ninety (90) days in your employment.

ii. Spoilage

- (1) We will pay for direct physical loss or damage to your perishable stock at covered locations caused by or resulting from:

(a) Mechanical breakdown or failure of refrigerating, cooling or humidity control apparatus or equipment which are owned or used by you; (b) Contamination by the refrigerant; (c) Complete or partial interruption of electrical power, either on or off the covered locations, due to conditions beyond your control, except as identified in (2), below.

- (2) We will not pay for loss or damage caused by or resulting from:

(a) The disconnection of any refrigerating, cooling or humidity control system from the source of power.

(b) The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current.

(c) The inability of a power source at the covered location to provide sufficient power due to

lack of generating capacity to meet demand.

- (d) The inability of an Electric Utility Company or any other power source to provide sufficient power due to lack of fuel or government order.
- (e) Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.
- (f) Failure to use reasonable care to maintain all refrigerating, cooling or humidity control systems in proper operating condition. Perishable stock means personal property maintained under controlled conditions for its preservation and susceptible to loss or damage if the controlled conditions change. The most we will pay for loss or damage in any one occurrence is the Limit of Insurance shown in the Schedule that applies to this endorsement part for Spoilage

XVII. Coverage B - Newly Acquired Buildings

Section I Property, A Coverage, Subsection 6. Coverage Extensions, item a, of Policy - AB 90 00 12 93, is amended to include:

Our limit of liability for this coverage extension is the amount shown in the Schedule of this Endorsement for Newly Acquired Buildings.

XVIII. Coverage B – Business Personal Property - Off-Premises

Section I Property, A Coverage, Subsection 6. Coverage Extensions, item c, of Policy -AB 90 00 12 93, is amended to include:

Our limit of liability for this coverage extension is increased to the amount shown in the Schedule of this Endorsement that applies to Business Personal Property-Off-Premises.

XIX. Coverage B - Property of Others

Section I Property, A Coverage, Subsection 6. Coverage Extensions, item

f, of Policy -AB 90 00 12 93, is amended to include:

Our limit of liability is increased to the amount shown in the Schedule of this Endorsement that applies to Property of Others.

We will not pay however for loss or damage to any vehicle including its equipment and accessories or any property contained in or on a vehicle.

XX. Outdoor Property: Trees, Shrubs, Plants and Lawns

- 1. Section I Property, A Coverage, Subsection 6. Coverage Extensions, item g, of Policy -AB 90 00 12 93, is amended to include:

Our limit of liability for this coverage extension is increased to the amount shown in the Schedule of this Endorsement as it applies to Outdoor Property: Trees, Shrubs, Plants and Lawns, including debris removal expense at the premises described in the Declarations.

XXI. Money Order and Counterfeit Money

Section I Property, A Coverage, Subsection 6. Coverage Extensions, item h, of Policy - AB 90 00 12 93, is amended to include

Our limit of liability for this coverage extension is increased to the amount shown in the Schedule of this Endorsement as it applies to Money Order and Counterfeit Money.

XXII. Depositor's Forgery

Section I Property, A Coverage, Subsection 6. Coverage Extensions, item i, of Policy - AB 90 00 12 93, is amended to include:

Our limit of liability for this coverage extension is increased to the amount shown in the Schedule of this Endorsement.

XXIII. Sign and Glass Coverage.

Section I, Property A, Coverage, Subsection 6. Coverage Extensions, is amended to include:

If you occupy a covered location that you do not own, we cover the signs and glass that you use in your business at the covered location. Sign and glass coverage include:

- (1) Lettering and ornamentation;
- (2) Signs or glass that are on the exterior of the insured premises; and
- (3) Signs or glass that are on the exterior of the insured premises (or covered location) but that are within an enclosed structure.

We will cover such signs and glass for direct physical loss or damage from any covered cause of loss applying to your Business Personal Property.

We will not pay for loss of or damage to any sign or glass at any location at which you are required by lease or other contract to insure the Business Real Property, unless such lease or other contract specifically requires you to insure the exterior signs at the location.

The most we will pay for loss or damage in any one occurrence under this Additional Coverage, regardless of the number of signs or panes of glass lost or damaged, is the limit shown in the Schedule that applies to Sign and Glass Coverage.

This Additional Coverage shall apply only as excess insurance over any insurance provided by or for the building owner, whether or not any proceeds under any such policy are collectible.

XXIV. Contract Penalty Clause Coverage

Section I, Property A, Coverage, Subsection 6. Coverage Extensions, is amended to include:

- a. We will pay the contractual penalties you are required to pay to your customers as a result of any clause in a contract you enter into due to our failure to timely deliver your product or service according to the contract terms. The penalties must solely result from direct physical loss or damage by a Covered Cause of Loss to covered property which occurs after you enter into such contract.

- b. The most we will pay for loss or damage in any one occurrence under this coverage grant is the Limit of Insurance shown in the schedule that applies to this endorsement for **Contract Penalty Clause Coverage**.

XXV. Unintentional Property Errors and Omissions

Section I, Property A, Coverage, Subsection 6. Coverage Extensions, is amended to include:

- a. Any unintentional error or omission you make in determining and/or reporting values to us or in describing the covered property or premises to us shall not void or impair coverage provided by this policy. You must however, report such errors or omissions to us in writing as soon as you discover them. You also agree to pay such additional premium as may be appropriate.
- b. This provision does not apply to loss or damage caused directly or indirectly by flood or earth movement or to property which is otherwise insured by this or any other insurance.
- c. The most we will pay under this coverage in any one occurrence is the Limit of Insurance shown in the Schedule that applies to **Unintentional Property Errors And Omissions**.

XXVI. Water Damage:

Section I, Property Coverage, Exclusions B, item f(5) of AB 90 02 12 93, is amended by deleting the following:

- a. Water that backs up from a sewer or drain: or
- b. Water under the ground surface pressing on, flowing or seeping through:
 1. Foundations, walls, floor, or Paved surfaces;
 2. Basements, whether paved or not; or
 3. Doors, windows, or other Openings.

XXVII. Who Is An Insured:

Section II, Liability Coverage, Who Is an Insured is amended to include:

- f. A person you designate as an **interim innkeeper**, but only for acts within the scope of your business.

An **interim innkeeper** is someone you designate, other than an employee, to manage your inn in your absence.

XXVIII. Section II, Liability Coverage, Section J of AB 90 00 12 93, Liability and Medical Payments Limits of Liability is amended to include:

- c. This coverage applies to household guests, while staying at your **residence premises** who are not regular members of your household, unless otherwise excluded in this policy.

XXVIV. Other Insurance

Section II, Liability Coverage, Section J, of AB 900012 93, Liability and Medical Payments Limits of Liability is amended to include:

Unless otherwise stated, if there is other insurance covering the same loss or damage under this policy or any other policy, we will pay only for the amount of covered loss or damage in excess of the amount due from the other insurance, whether collectible or not. But we will not pay more than our applicable Limit of Insurance.

All other terms and conditions of the policy apply.

This form must be attached to change endorsement when issued after the policy is written.

One of the **Fireman's Fund Insurance Companies** as named in the policy

Secretary

President